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BEFORE THE

Federal Communications Commission

WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)	
Interconnection and Resale)	CC Docket No. 94-54
Obligations Pertaining to)	Second Notice of
Commercial Mobile Radio Services)	Proposed Rule Making

To: The Commission

**REPLY COMMENTS
OF
WATERWAY COMMUNICATIONS SYSTEM, INC.**

Waterway Communications System, Inc. (WATERCOM) respectfully submits its Reply Comments in the Second Notice of Proposed Rulemaking concerning interconnection on resale obligations pertaining to Commercial Mobile Radio Services.^{1/}

I. Statement of Interest and Background

WATERCOM is a Commercial Mobile Radio Service provider, operating an Automated Maritime Telecommunications System (AMTS) licensed under Part 80 of the Commission's rules and regulations. The WATERCOM system operates along the Mississippi River and the Gulf Intracoastal Waterway and their connecting channels of maritime commerce. WATERCOM previously submitted comments to the Commission in response

^{1/} FCC 95-149.

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to the initiating Notice of Proposed Rulemaking and Notice of Inquiry in this proceeding.

II. Reply Comments

In this phase of this rulemaking, the Commission continues to consider CMRS interconnection requirements, with specific reference to CMRS-to-CMRS interconnection; and it also considers the imposition of resale requirements on CMRS providers. The issue of interconnection also was addressed in the prior phase of this rulemaking.

As the comments in response to the Second Notice evidence, there are two levels on which the Commission must consider the interconnection, resale and other regulatory requirements at issue in this proceeding. One level relates to CMRS providers serving the major, mass markets. These providers, with substantial frequency allocations, large switches and large (potential) customer bases, are cellular and PCS operators. The second level relates to the specialized or niche CMRS services. These services include the Automated Maritime Telecommunications System, the air-to-ground service, and like CMRS providers. Imposition of requirements on these specialized carriers must take into account not only the markets they serve but also the economic burdens and the anticipated benefits.

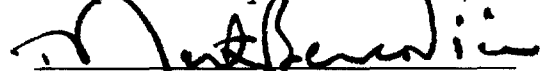
As evidenced by WATERCOM's prior comments in this rulemaking with regard to equal access and WATERCOM's comments to the Commission otherwise concerning equal access under the Telephone Operators Consumer Services Improvement Act of 1990 (TOCSIA), ^{2/} the comments of GTE, In-Flight Phone, and others, neither does the market for the specialized CMRS operations demand functions such as CMRS-to-CMRS interconnection, resale or equal access, nor would imposing such requirements on the specialized CMRS providers advance the public interest, convenience and necessity. These markets are not sufficiently broad so to be able to absorb the costs of these requirements without substantial and adverse effects upon the operators, and consequently upon the customers they serve. The economic effects are particularly onerous upon entities such as WATERCOM, which, with a distributed network serving 4,000 miles of waterways, operates both a central switch and small, local switches at each of its fifty-four (54) remote shore station locations. The cost of conversion of the WATERCOM network to accommodate any type of CMRS-to-CMRS interconnection would far exceed any interest, use or benefit in such arrangements.

^{2/} See WATERCOM comments, CC Docket No. 94-54, at p. 3 for recitation of those proceedings in which WATERCOM has addressed equal access under TOCSIA (Sept. 9, 1994).

Even proponents of the functions discussed by the Commission make clear that such requirements have no bearing upon specialized CMRS providers such as WATERCOM. NYNEX and CTIA, for example, support resale in the context of the cellular model, i.e., imposition of a resale obligation for five (5) years during PCS build-out. AT&T would limit the resale obligation to eighteen (18) months. It is clear that such proponents are not advocating imposition of said requirements upon AMTS operators or other similar specialized CMRS providers. Even the National Wireless Resellers Association, which speaks generically in terms of CMRS interconnection and resale, supports these concepts specifically with regard to PCS and cellular services.

WHEREFORE, THE PREMISES CONSIDERED, Waterway Communications System, Inc., respectfully urges the Federal Communications Commission to refrain from imposing interconnection or resale requirements as contemplated in this proceeding upon specialized CMRS providers such as Automated Maritime Telecommunications System operators.

Respectfully Submitted,



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